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**ALLEGED OPERATIVE IN \$60 MILLION INTERNET SCAM
INDICTED ON FRAUD AND MONEY LAUNDERING CHARGES**

**Massive Internet Investment Fraud Case
Involves 15,000 Investors from 60 Countries**

SACRAMENTO--United States Attorney McGregor W. Scott and FBI Special Agent-in-Charge Keith Slotter announced today that a federal grand jury in Sacramento indicted KEITH NORDICK, age 41, of Canada, in a fourteen count indictment alleging fraud and money laundering charges relating to one of the largest Internet investment fraud cases in the country. The Indictment also seeks the forfeiture of millions of dollars worth of real properties in Costa Rica and Mexico, a yacht, a helicopter, over a dozen cars, and millions of dollars in bank accounts in Latvia, Mexico and Costa Rica.

This case has been investigated with the assistance of the Federal Bureau of Investigation, Internal Revenue Service - Criminal Investigation, and the U.S. Securities & Exchange Commission.

According to Assistant U.S. Attorneys John K. Vincent and Robin Taylor, who are prosecuting the case, the defendant was arrested in Los Angeles on May 13, 2004, after being expelled from Mexico. The charges contained in the Indictment relate to the Tri-West Investment Club, an Internet-based investment fraud scheme that allegedly netted more than \$60 million from 15,000 investors worldwide. NORDICK is presently in custody.

If convicted, the defendant faces 5 years in prison for each of three mail and four wire fraud counts, and 20 years in prison for each of six money laundering counts and a conspiracy to commit money laundering count. Defendant NORDICK also faces fines up to twice the amount involved in the scam, which is alleged to exceed \$60 million. Assistant U.S. Attorney Courtney J. Linn is prosecuting related forfeiture actions against the defendant.

Arraignment has not been scheduled.

Fictitious "Prime Bank Notes" Sold on the Internet

The criminal Indictment follows an international effort by the United States, Costa Rica

and Canada to investigate the activities of Tri-West, which solicited investments in "prime bank notes" at www.triwestinvest.com from 1999 to 2001. Visitors to the Web site were promised an annualized rate of return of 120 percent plus return of their principal at the end of a year, as well as substantial referral fees of 15 percent of all referred investments. The Web site, which contained alleged testimonials describing instant wealth from early investors, also told investors that their investments were "guaranteed." The Web site claimed that a 30-year-old "Panamanian Investment Company" called the Haarlem Universal Corporation executed all the trades for Tri-West. The Web site further claimed that the "day to day operations are conducted by Jason Kingsley, Mark Goldman and Alan Richards."

Based on these representations, the Indictment alleges that investors contributed \$60 million in funds to Tri-West by mailing checks to Post Office boxes in Belize and The Bahamas, where they were forwarded to Tri-West operatives in Mexico and Costa Rica. The investors' money was thereafter sent to Latvian banks, which in turn sent some of the money to a bank in New York, where "dividend" checks were distributed to certain investors.

International Ponzi Scheme

According to the Indictment, the representations on the Tri-West Web site were fraudulent. Tri-West never actually invested any of the investors' money in any "prime bank note" program, but instead used new investor funds to make "dividend" payments to earlier investors to give the false impression of profitability. The balance of the funds were used by NORDICK and others to purchase millions of dollars of real properties in Mexico and Costa Rica, as well as a yacht and helicopter, and to funnel money to dozens of shell companies created in Costa Rica to conceal the defendants' ill-gotten gains. Contrary to the Web site, the Indictment also alleges that Haarlem Universal Corporation was incorporated in 1999, not 1969, and is not registered as an investment company. The managers of Tri-West identified on the Web site are also alleged to be fictitious.

Millions of Dollars of Frozen Assets in Costa Rica, Mexico and Latvia

Costa Rican authorities have seized and frozen nearly \$15 million dollars of assets, including \$7 million held in bank accounts and millions more in real properties and assets such as the boat, helicopter, and new cars. Requests for international assistance have also resulted in the freezing of millions of dollars of real properties and bank accounts in Latvia and Mexico.

Charges Against Other Defendants

Alyn Richard Waage, the leader of Tri-West, pled guilty to mail fraud, wire fraud, and conspiracy to launder money in May 2003. He is awaiting sentencing. James Michael Webb, another Tri-West operative, pled guilty to the same crimes in June 2003, and he also awaits sentencing. In April 2001, Cary Alyn Waage, 26, of Canada, pled guilty to mail fraud and money laundering charges relating to the Tri-West scam. A criminal complaint filed in October 2001 also charges Lynn Waage Johnston, Alyn Waage's sister; and Evan Theodore Pryor Smith with involvement in the scam. Those two individuals remain fugitives.

The Indictment contains only allegations, and the defendant is presumed innocent until proven guilty at trial.

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